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A SPUR REPORT ON THE SAN FRANCISCO REDEVELOPMENT PROCESS

1972

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THE SAN FRANCISCO REDEVELOPMENT PROCESS

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April, 1972

THE REDEVELOPMENT PROCESS

THE SAN FRANCISCO EXPERIENCE

WHAT HAS IT DONE? WHAT IS IT DOING? WHAT SHOULD IT DO?

I. INTRODUCTION

As recently as five years ago redevelopment in San Francisco appeared to the public as a long series of striking successes, only occasionally interrupted by public expressions of concern for the people who, having to move, were most directly affected. Since that time the program has maintained its visibility, but for very different reasons. It has been under attack almost constantly, principally over relocation and rehousing of residents.

If the program contributes to the City's economic and social health, as we believe it does, we should know the reasons for this conflict. Foremost in causing controversy is the scale of San Francisco's renewal projects and program, the difficulty of achieving major changes in any city during a normal human attention span, and the shortcomings and defects inherent in any joint undertaking by government entities subject to inconsistent political pressures.

Second,is the seemingly inevitable inequity of focusing on deteriorated zones and requiring that the most disadvantaged and disenfranchised segment of the urban population move. A move is always traumatic (Homerica, "the nation's leading relocation service" ad in the NEW YORKER starts, "A big promotion, $4,000 more in salary, and his wife in tears").

Third, the terms of relocation regulations and compensation have always aimed at fairness, but a funding lag has impaired the ability of local agency and federal government alike in meeting these goals. Indeed we can never buy solutions to long established and emotional problems within ghetto households, but a better effort could have been made. The federal doctrine of maximum feasible participation of project area residents in determining project plans was formalized and funded about three years ago. It was designed to insure representation of those persons who would suffer the inconvenience of relocation, or any other direct disruption growing out of a renewal project. While such joint planning efforts in the long run usually prove cooperative and beneficial, in the short run they provide the press with highly reportable material, usually in the form of high decibel confrontations.

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Fourth, another, federally funded program, the Neighborhood Legal Assistance Foundation (NLA), is a nationwide operation necessary to insure that the law applies equally to the haves as well as the have nots. It has taken an activist stance and delayed renewal projects made vulnerable by the apparent inability of local agencies to meet increasingly restrictive, retroactive federal relocation requirements. NLA has made an important point - the goals behind the requirements probably should have been sought long ago.

Finally, political realities and pressures at the national level have resulted in a federal desire to withdraw from or reduce drastically financial commitments to local renewal programs. Annual reductions in the amount of funds available to cities for urban renewal (redevelopment) projects, restrictive new rules for the establishment of public housing and urban renewal (redevelopment and rehabilitation) projects operate to eliminate eligibility, and shift additional cost burdens from the federal to local treasuries.

Some allege that the constraints on housing and renewal ("renewal" includes, as we shall see, both clearance projects and some forms of rehabilitation) programs are an attempt to persuade cities to support revenue sharing. Others say it simply reflects a national disenchantment with the renewal and housing process. Program complexities, the time required to produce new housing or other construction, their dissension-producing capabilities and, in some cases, abject failure, conspire to prevent generation of sufficient political (public) support to warrant the necessary flow of continued renewal funding from Washington.

All of the foregoing elements prompt issuance of this SPUR report in an attempt to clarify the present, evaluate the past, and recommend future goals for this public process. We hope to stimulate new approaches in the use of the Agency, and its powers, to aid the City in its struggle for survival as a desirable place to live and work.

II. GENESIS OF THE PROCESS

Public Housing. Despite the relative youth of urban America, a marked deterioration of cities became apparent after the first World War, particularly in core residential areas. In 1937 a federal slum clearance and housing measure was enacted. As a result, federal financial assistance was for the first time made available to local communities to demolish residential slums and replace them with publicly constructed and owned housing, housing to be operated by local public agencies called Public Housing Authorities. To be eligible for this new category of federal assistance, individual states were required to enact enabling legislation which would permit municipal and county legislative bodies to create Housing Authorities with sufficient legal powers, including those of eminent domain, to carry out the intended programs.

Redevelopment Impetus. With the cessation of World War II, it became possible to consider the total plight of the cities. It was clear that not only residential portions of towns and cities but business centers too had suffered deterioration to an alarming degree. Many deleterious factors were and are now wreaking havoc upon our urban centers. FHA mortgage insurance created wave on wave of suburbs which in turn made possible the suburban shopping center, and these in turn sapped the retail strength of downtowns, hastened the decline of public transit which usually served the core areas, and jammed the cities' streets with vehicles. Labor intensive, high-paying war industries drew millions of rural families to America's central cities - families ill-equipped to adapt to urban life styles and relatively sophisticated peacetime job requirements. Our income and property tax structure with private incentives for construction and for ownership but not for property maintenance, also worked against healthy urban centers.

Redevelopment Legislation. These and other factors created conditions which prompted the Congress in 1949 to approve a new Omnibus Housing Act which made federal funds available for a variety of projected uses in addition to publicly owned housing. From that point on, local communities through their redevelopment agencies were endowed by their state governments with the power of eminent domain. With access to federal funds, they then possessed all the tools necessary to implement that power by the assembly of small parcels of land into usable large sites for reuse as private housing developments, commercial centers or industrial parks. While Public Housing Authorities frequently remained independent of the Redevelopment Agencies, in appropriate situations the authorities could and did use portions of redevelopment project areas for public housing.

The Redevelopment Process. The redevelopment process is deceptively simple. A city, in accordance with State enabling laws, establishes a semi-independent redevelopment agency. That agency, once the Planning Commission identifies an area in the city which is blighted beyond repair, and using federal financial assistance, prepares a plan in accordance with a Planning Commission's preliminary plan for the renewal of the area. Upon review by the Planning Commission and approval by the city government, the plan and an accompanying application for federal funds is submitted to the Department of Housing and Urban Development (HUD) for federal processing. If approved by HUD the federal government will pay for 2/3rds of the net project costs, i.e. the cost of land acquisition, demolition, site preparation, administration, less proceeds from land sales. While the project is under way, the federal government will loan the Agency funds necessary to carry out project activities. Such loans are repayable out of land sale proceeds and the 2/3rd federal share of project funding. In essence the federal government extends interim financing and pays 2/3rds of the ultimate loss of a land development entity specifically anticipated to operate at a loss in order to mark down the cost of urban real estate to a level where it once more becomes marketable. Accounting for project and non-project costs, satisfying constantly evolving federal, state and city standards and far too much regulation and processing, produces a method considerably more complex than this concept-outline.

Due Process. Most states (California is no exception) have legislated elaborate due process procedures requiring public hearings by the Planning Commission, which must conceive the initial plan for a renewal project, by the Redevelopment Agency itself, and finally a public hearing and an approval by the City Council or Board of Supervisors. Each of these hearings must be advertised and held, and necessary approvals granted before an agency may legally move to execute any project. Probably required at the outset to protect the rights of property owners, such hearings also serve to give residents of renewal areas considerable opportunity to express objections in expectation of being accorded treatment thought to be unjust. While these due process requirements are essential to protect the rights of individuals, it must be recognized that such procedures are one cause of the long time required to complete any one project.

Credits. A major confusion usually arises in connection with the funding of the local 1/3rd share that Congress requires be provided for each project. Such amounts could be provided from general revenues at the expense of other city activities or an increase in taxes. However, federal law provides an attractive "out". If any local government or entity, city, county, state or special district, undertakes programs to construct public projects within the project area or sufficiently proximate so that they can be said to benefit the project, the cost of those public facilities or portions which benefit the project, will be credited to the local government share of project costs. Further, if one project has a surplus of such public facility credits, they may be transferred to another unrelated project in the city for credit to the local share of project costs. Except in rare cases most redevelopment projects go through a period when agency-owned land is removed from the property tax rolls. A part of this tax loss is also credited against the local 1/3rd share.

Impact of Credits. Thus, any city is given an opportunity to accomplish a public facilities goal and at the same time pay its share of redevelopment project costs. As we shall see, San Francisco has succeeded admirably in killing these two birds with one stone through the credits process. BART, the Yerba Buena Center convention facilities, and many other public facilities have all been marshalled to eliminate Redevelopment Agency demands on the City's general revenues. However, such a system of project credits has two side effects in addition to the dimension of complexity it adds. First, the transferability of credits has tended to finaicially bind unrelated projects into an artificial whole. Second, the political necessity to find alternatives to drawing upon the general fund for the local 1/3rd share of net project costs, has made it necessary to maximize public facilities in or related to redevelopment projects. In other words, projects have followed possible local credit-producing public facilities rather than being defined and selected on a purely objective priority basis. At other times public facilities priorities may have been altered to qualify for credits.

III. SHIFTS IN PHILOSOPHY

Federal Purpose. As we have seen, the renewal function of a local agency back in 1949 was considered to be essentially a public real estate operation that would clear confused titles and demolish obsolete or deteriorated buildings and then resell large parcels to private developers who would agree to rebuild in accord with a publicly approved plan. Private renewal didn't work because any owner of a "key" piece of land could, and often would, demand a price per square foot that destroyed the economics of private renewal. Such practices prompted even conservative state legislatures to confer the power of eminent domain upon local redevelopment agencies. Acquisition costs under condemnation proceedings were then based on impartial appraisals. In the case of disputed values, a court and jury determined a fair price. This power, coupled with the 2/3rd federal subsidy, made renewal of downtown commercial, and industrial, areas a feasible prospect. The original legislation focused on clearance of blighted residential areas, but permitted reuse of such cleared land for other opportunities. Subsequent federal revisions permitted clearance of blighted commercial and industrial areas.

Away from Clearance. Following publication of several tomes critical of renewal in which it was charged that vast undeveloped "wasteland" project areas were the only result of an exhausting and expensive public effort, federal renewal assistance laws were changed to place emphasis on rehabilitation. In 1966 one critic of renewal, Dr. Martin Anderson, subsequently a Presidential advisor, either on purpose or inadvertently based his data on 1962-1963 results, a time when few projects in any part of the United States had been reconstructed (most cities were slow in availing themselves of the financial assistance made available through the Housing Act of 1949). Such critics found many sympathetic ears. The underfunded relocation programs had undoubtedly caused both financial hardship and a shortage of needed counseling and social services. Inadequate housing programs resulted in the net depletion of the supply of low and moderate income housing. All of these factors prompted agency staff members and commissioners throughout the United States to plead for more generous relocation allowances. As a result of these inadequate years, anti-renewal sentiments increased. Opponents, composed of those deeply concerned that project relocatees were in danger of being callously mistreated, and those who found massive clearance and rebuilding to be an unsettling change of neighborhood character, joined with others who viewed private property rights as superior to the public's need to eliminate outworn urban areas. These combinations of events shifted the emphasis to rehabilitation and away from clearance.

Rehabilitation. The rehabilitation program was intended to eliminate or decrease waste by preventing the destruction of buildings that might physically be saved, and to smooth political waves by reducing the amount of relocation required. Unfortunately it began to founder almost immediately on the rocks of real world finances. Federal rules specified that the properties rehabilitated by a

Redevelopment Agency could not be resold at a price that exceeded the Agency's purchase price plus the cost of rehabilitation. In too many cases, an estimate of these combined costs far exceeded the highest possible market price and instead of being rehabilitated, the structure was demolished.

Agency Rehabilitation. Many agency rehabilitation problems occur simply because areas too far gone for rehabilitation are nonetheless tried as one method of avoiding the turmoil of large scale relocation. Great difficulties have been encountered with absentee owners. It is far simpler for the distant owner, and usually more profitable, to sell at fair market value to the agency and let them worry about being able to sell the property for or after rehabilitation. For this and other reasons, the rehabilitation program has been disappointing to those who initially visualized a quick process; disappointing to those who saw rehabilitation as an only mildly disruptive community process that would yet conserve property; and disappointing to those who were concerned with the treatment and problems of persons required to relocate (where the Redevelopment Agency carries out the rehabilitation, relocation is still necessary, albeit on a smaller scale).

Owner-Rehab-Code Enforcement. However, the new shift did encourage homeowners within federal projects and later in federally assisted City-administered code enforcement (FACE) projects (first authorized in 1966) to undertake their own renewal, particularly when below market rate rehabilitation loans were made available. These 3% rehabilitation loans under the Section 312 program, even though inadequately and only sporadically available, are proving enormously effective in encouraging owner-occupied dwelling rehabilitation. The relative success of FACE in areas such as Alamo Square has led to an increase in FACE program proposals. Yet despite chronic over-subscription, no new federal appropriation for Section 312 loans (a tool of central importance to the FACE program) for the 1972-73 fiscal year has been requested of the Congress by HUD. New project selection criteria demand a minimum of reliance on Section 312 loans in proposed FACE projects and 312 funds for existing projects have been sharply curtailed. This lack of enthusiasm for continuing the 312 program may stem from the fear that recently discovered scandals involving these loans in a few Eastern projects might be repeated in other sections of the United States. San Francisco's program has been efficient and without taint of impropriety. Owners in FACE project areas who do not have these loans may now have to secure uneconomic private loans in order to comply with the building code requirements as expected of them. New project areas must await a reversal of the federal regulations or some alternative source of funds before they can commence their projects. Tenants of dwellings rehabilitated without below market rate loans inevitably face steep rent increases.

Which Process? The premise underlying federal rules for establishing either a redevelopment, rehabilitation or code enforcement project has a common denominator. It is the prospect of achieving success. All three are part of the overall renewal process, although the term renewal is sometimes used to refer only to Agency administered projects. FACE programs are usually not attempted in

areas so severely blighted that, despite the expenditure of federal funds, the area will continue to deteriorate. The rules for rehabilitation are the same - an area cannot be so deteriorated that rehabilitation action will almost certainly fail. When the conditions are so bad that neither one of these programs holds the hope of success, then clearance (redevelopment) is required. While communities uniformly seek to apply the least politically disruptive program to blighted areas, federal rules in the past have prevented what could have been even more spectacular failures.

A Return to Housing. The most pronounced national shift in renewal philosophy occurred almost five years ago when the Department of Housing and Urban Development (HUD) reordered its financing priorities for renewal projects. Construction of low and moderate income housing, the Department announced, would henceforth be accorded the Number One claim on available federal funds, with non-residential (i.e. business, commercial or industrial) projects taking second place. Thus the program is returning to its original purpose (defined in the Omnibus Housing Act of 1949 as the provision of a decent home for every citizen of the nation). The demand for federal urban renewal funds has always exceeded by considerable amounts - in some years by more than 100% - the amount actually appropriated by Congress and made available by the Executive Branch. Thus, as a practical matter, new commercial and industrial projects are unlikely to receive federal funds no matter how attractive, unless they are combined with an operation that will produce housing.

Current Priorities. Today a newer priority system has been promulgated by HUD that is far more restrictive. It has the effect of reducing drastically the number of local options in project site selection. It places even more emphasis on the production of low and moderate income housing units but "in a non-discriminatory way outside areas of concentration of economically disadvantaged or minority citizens". Thus "impacted" areas (those with concentrations of minority groups and low income housing) are to be discounted, and dispersal has become a goal. Such criteria still do not solve a problem more severe than any yet mentioned - central city funding.

Political Factors. General shortages of federal funds resulting from the Viet Nam war, inflation, and a majority voting strength now concentrated in rural and suburban areas are all political factors tending to slow the flow of maintenance and renewal funds to central cities. Never a popular program with an identifiable political constituency, the renewal program as it presently exists is under threat of extinction as a national program.

Negative Local Forces. Within many inner city ghettos today, two prevalent attitudes seem to prevent the local application of the renewal process. First, the militant opposition to the inequitable, though unavoidable impact of renewal on the poor has led neighborhood groups to organize and adopt vocal and legal delaying tactics or, as a last resort, physical confrontation. Second, local incumbent political establishments are unwilling to incur the displeasure of all

of those diverse elements within any community who unite in disapproval of the renewal process for a whole variety of reasons. Disapproval arises from inevitably disruptive relocation, especially problematic for problem families in ghetto situations, from breaking up of communities by relocation, from those opposed to the use of eminent domain for the taking of private property for this public purpose, and finally from objections to the use of federal funds to subsidize private property owners, either rich or poor.

Public Housing in Decline. For some of these same reasons public housing, sire of the redevelopment process, also has fallen from favor. In the past, elected officials could believe that tenants of city-operated, federally subsidized housing would, out of gratitude, vote for incumbent slates. Present dissatisfaction with the public housing environment, voiced by tenants' rights groups, has grown. The publicized assaults against both property and people in public housing complexes where families with behavioral problems have, because of no available alternatives, been allowed to concentrate, typify current problems in public housing. Political gratitude for public housing is a thing of the past. At a national level the public housing program has not been popular enough to produce the funding necessary to bring remedial services to those in public housing who need them. Further, middle class neighborhoods resist scattered public housing, a possible alternative to the public housing concentrations in central cities. Thus, the public housing program is heavily dependent on the good will of elected city officials, and the efforts of the city's housing bureaucracy.

Alternatives. No real alternatives to a conventional renewal program have been attempted. Model cities organizations, unlike anti-poverty operations, are beginning to develop tentative programs that would use the modified services of the Redevelopment Agency, but if any demolition and relocation programs are proposed, the resultant outcry may doom the effort. Rehabilitation programs, starved for lack of political glamour and dramatic cost-benefit justification are further throttled by local-federal disagreements over building codes and by rising building costs. As a result of such paralysis of physical renewal programs, every American city is witnessing rapid increases in the number of buildings that fall into a dilapidated state year by year. It is a paralysis for which we must all share the blame. If some form of multi-purpose housing, renewal and codes, block grants or revenue sharing program is approved by the Congress, the major effect will probably be a reduction in federal red tape. But, since most categorical programs are structured under State enabling legislation, little change is expected to take place in active program procedures. However, reduction of a superabundance of federal restrictive regulations is a thing devoutly to be desired, provided competent personnel is retained to run renewal programs. In the absence of such professional competence, the expanded opportunity for misfeasance, as demonstrated in recent Eastern rehabilitation programs, may become the new threat to effective, sensitive renewal programs.

IV. RELOCATION

Necessary Adjunct. To accomplish the clearance of obsolete buildings in projects throughout the nation, it was and is necessary to cause the removal of not only businesses, but large numbers of families and single householders. As a protection to those who must be moved, both federal and state laws provide that no renewal agency may cause the removal of a family from its dwelling unit within a renewal area without first finding decent, safe and sanitary "standard" housing, at a price the family or individual can afford to pay. During the early years when urban renewal was regarded as a real estate operation, relocation services were regarded as a minor staff function. Indeed Congress as late as 1959 provided maximum relocation moving payments to families of $100, and a combined total payment to a business of $3,000.

Related Change. It became evident during the first ten-year period that few people appreciated forced dislocation. It became equally clear to agency administrators that the relocation payments offered were inadequate and that the human element in the renewal process deserved far greater attention than that which had previously been accorded. During the intervening years, although some improvement in relocation resources occurred, Congress was consistently far behind the needs and requests for better relocation and social programs, home economics training and social service functions, all of which were beyond the financial capabilities of local agencies. Cities were unable or unwilling to support such programs with their own funds. The opportunity offered by renewal projects to accomplish ancillary but important social goals as part of the relocation process was thus lost. As an example of progressive though moderate increases, in Western Addition A-1 $101,000 in total relocation payments was made to families and individuals numbering in total almost the same as those rehoused to date in A-2. Only $172,000 was dispensed to businesses. Western Addition A-2, with relocation 63% completed, has already made payments totaling $323,000 to families and individuals, and almost $2,400,000 to businesses. Belatedly the federal law was amended in 1971 to provide, among other things, $300 for family moving costs, $200 residential dislocation allowance, a differential housing payment to renters of $4,000 and a $15,000 payment to homeowners seeking to repurchase another home in an area outside the redevelopment area. For example, should a family being relocated from a slum area not be able to find suitable rental quarters at their former rate of rent, up to $4,000 in supplementary rent payments will be made. A home-owning family unable to purchase a new standard home outside the redevelopment area at the price received for their old dwelling, is entitled to a grant of up to $15,000 to make ownership of a standard home possible. Business and individual payment limits have been removed and now actual costs are paid provided they are reasonable. Other payments are also available but on a more limited, specific basis. These increases reflect, finally, a Congressional commitment that human needs be met and matched insofar as possible by the necessary dollars to remedy what may be inequitable situations. However, their appropriate application to projects already in process has added a further dimension to the difficulties of local redevelopment agencies trying to stay within project budgets.

Project Costs. All of these aids, effective only last year (1971) may finally be sufficient to prevent financial hardship to renewal area residents. But, while relocation costs in the past were borne wholly by HUD through relocation grants, they must now be shared as a project cost, with one-third coming from local sources. They thus affect the delicate project credits balance used to avoid drawing on local general revenues, and may force local governments to pay more of the tab for a program which generally lacks local political support. Such payments may begin a new area of abuses if they cause a rush to move or buy into a project area as soon as announced in order to qualify for the $4,000 rent adjustment payments or the $15,000 home ownership assistance payments. Yet it is undoubtedly better to err for once on the side of generosity in the long, penurious history of relocation payments.

Statistical Games. In San Francisco the highly publicized and polarizing attacks have revolved around relocation. Recently, great efforts have been made by both sides to prove statistically that the program is or is not feasible. Why statistically? Both state and federal laws require the devising of a relocation plan and its approval by the legislative body. It must be a plan describing the means and citing statistical proof that facilities do or will exist sufficient to relocate all individuals and families. Because this, by law, must be done prior to the commencement of a program, it can only be done on a statistical basis, i.e. matching probable vacancies based on historical trends against the numbers of people to be relocated. The law, both state and federal, specifies that the Agency cannot move anyone from a project area without offering decent, safe and sanitary (standard) housing at a price they can afford to pay. Thus a project cannot start until an acceptable plan is developed, and it may be halted any time a plan loses currency. San Francisco's low vacancy rate and inadequate supply of housing, both low and moderate income (particularly for families) makes statistical resource development particularly difficult here. But, regardless of any relocation plan, the Agency must actually meet the federal standards set for rehousing, not just at the time of project approval, but evolving standards applicable at the time of actual relocation. This is an often overlooked fact, but it is critical in long term projects subject to constantly changing circumstances.

In Practice. Federal rules require that families and individuals be given three choices of standard housing before the service of an eviction notice can be made. Under such rules the San Francisco Agency has so far relocated 2,633 families and over 4,000 individuals, and to date not one case of improper rehousing under the current rules has been documented by or to the Department of Housing and Urban Development. It has been alleged that the rules have been inadequate and narrowly complied with, but it cannot be denied that they were observed. Relocation in the early years of the redevelopment program was inadequately funded and all local agencies throughout the United States were asked to do far too much with too little staff and too few relocation funds available. That they avoided more severe relocation problems is commendable, but that they did not, or were unable to fund ameliorating programs from local treasuries is unfortunate.

Value Judgments. Even large Redevelopment Agency relocation staffs, which include persons holding Master's degrees in social work and local medical and psychiatric services probably will never satisfy those concerned citizens who do not believe there is any public necessity severe enough to cause the disruption of those intangible groups called neighborhoods, communties of interest, ethnic or religious enclaves. In short, relocation cannot be a numbers game because it deals with individuals of every variety, feeling, personality, ability and personal requirement. Relocation in San Francisco, where the housing market is more restricted than in most American cities, is like the bee - aerodynamically it shouldn't fly, but it does. Historically, the Agency has managed to satisfactorily relocate people but the housing market is such that it is difficult to prove statistically that it will continue to be successful unless the housing is provided in the projects themselves. Any renewal program found in violation of the relocation requirements should be immediately halted and not allowed to resume until measurable assurances are secured that the violations will not be repeated. Renewal as a public undertaking is designed to benefit the general well-being of the public residing within the municipal boundaries of the area undertaking the program. San Francisco as a whole has benefited, but it cannot, nor should it benefit at the expense or hardship of citizens whose lives are disrupted. The greatest difficulty is to avoid unnecessary hardship while moving essential public projects forward. While sincere people may differ over what is "unnecessary" hardship and which projects are "essential", the redevelopment process remains a valuable tool for rebuilding our urban centers.

V. THE SAN FRANCISCO COMPOSITE

The Redevelopment Agency. Since the date of its incorporation on August 10, 1948, San Francisco's Redevelopment Agency, one of the most active in the United States, has nearly completed three major projects, is in mid-phase with four other huge undertakings, and has utilized its real estate experience to assist the City in the development of two other City-owned parcels. Expressed as a percentage of the City's land, the redevelopment process has been applied to 1,116 acres, or almost 4% of San Francisco's total area. A discussion of specific programs is appended to this report. In general the Agency has sought to increase the City's housing and tax base while accommodating needed public projects.

Statistics: The confrontation and accusations that have grown out of Agency actions and proposals in the last three years may be ascribed in part to the sheer size of the total undertakings, as may be more fully realized from the following statistics. An actual count of housing units destroyed is not available since many so-called dwelling units were so dilapidated as to be unoccupiable. It seems more reasonable in any event to compare the number of residents before and after renewal:

1. Relocation

Payments total over 5 million to date

Businesses moved	1,744	
Family and individual	6,999	
Standard housing		2,780
Substandard housing		687
Own initiative		2,105
Not traceable		427

2. Housing Units

Housing units completed		4,019
Housing units scheduled		9,090
	TOTAL	13,109

Housing categories		
Market rate	7,200	
Low & moderate inc.	5,213	
Public	696	
	TOTAL	13,109

3. Total units to be rehabilitated under Agency action 3,000

4. Total area and population in renewal projects

Residential acreage increased 78%
Population housed increased from 28,124 to 47,290

5. Cost

Total expenditure when completed	367 million
Federal share	245 million
Local project credits	135 million
No city general revenues	

Total public and private expenditure in excess of one billion dollars

6. Taxes
Increased from 6.5 million to 29.3 million,
a 350% increase in assessed value.

Some of the above statistics will change as redevelopment progresses in each project. They are offered here only to give some evidence of the size of San Francisco's undertaking.

Current Redevelopment Projects - Summary Table

Project	acres	pln'g began	housing units before	housing units after	net cost	ass'd value before	ass'd value after	negative/ excess credits
					$	$		
Di'md Hts.	325	1950	47	2406	6 mil	368 g	15 mil	+4.3 M
W.Addn. A-1	108	1950	2575	2044	17 m	2.8 m	19 m	+3.7
Golden G'way	51	1958	208	2555	36 m	7.7 m	60 m	+18.5
W..Addn. A-2	277	1961	4003**	6539	132 m	30 m	40 m	-24.3
Y.B. Center	87	1962	3100**	260	97.5 m	8.7 m	75 m	+23.2
Hunters Pt.	137	1966	883	1921	40.6 m	637 g	6 m	- 3.5
India Basin	126	1967	277	130	35.4 m	2.8 m	9.7 m	- 8.9
Regal Pale	6	1970	26	156	2.1 m	270 g	467 g	
TOTALS*	1,116		11,119**	16.009	367.5	50.7	228.5	-

* Totals do not add due to rounding
** Approximate

Property Tax Base. San Francisco is far more dependent than most American cities on the property tax base, obtaining more than 59% of its non-operating municipal revenues from that source. Increasing that base is vital to the redevelopment process. When renewal ceases to improve the tax base, elected municipal officials will terminate it as an operating local program. To some it appears contradictory that slum residences and commercial properties, during the process of renewal, are taken off the tax rolls. Much of the revenues thus lost, however, becomes a credit against the City's 1/3rd share. In some cities throughout the nation there is little hope for adequate reconstruction, usually because projects were not large enough to eliminate all surrounding blight. In such cases the measurement of the benefits of renewal can only be made in the intangible terms of slum elimination. In San Francisco, however, where projects have been well planned and a strong development market exists, the process will produce far more in revenues from the increased tax base than would be the case had no action been taken.

Housing Stock. The Redevelopment Agency has sought to increase San Francisco's Housing Stock by development of new housing units in project areas. Diamond Heights, the Golden Gateway, portions of Western Addition A-1 and A-2, and Hunters Point have involved or will involve substantial construction of relatively expensive housing. Construction of new low and moderate income housing within redevelopment projects to date has been less than adequate to replace low cost slum housing units destroyed in the renewal process. One result may have been to temporarily distort the population balance in San Francisco which SPUR believes must not only be maintained but better served by a balanced housing stock if the City is not to become the home solely of single households, the aged, low income families, and the very wealthy. The high

demand for and low supply of standard low income housing in San Francisco makes it increasingly difficult for the Agency to carry out its projects, particularly where those projects involve relocation from grossly substandard units. There is a grave need for the City, the Agency and HUD to accelerate the construction of low and moderate income housing presently on the books and to emphasize the balanced construction of such housing in any new renewal projects which are contemplated. That this is being accomplished in the newer projects can be witnessed by the fact that 40% of all Hunters Point housing units will serve families of public housing eligible income levels and 33% of all units in Western Addition A-2 will be for that same income level. Until standard units are provided in the City, it will become increasingly difficult to satisfy specific relocation requirements or meet larger housing goals.

It was a mid-project tightening of the housing market coupled with new, more restrictive relocation regulations by HUD that enabled a group of Yerba Buena project area residents represented by the Neighborhood Legal Assistance Foundation to successfully seek an injunction halting the entire project in mid-1970. In an effort to avoid continuing litigation, Agency and project residents' attorneys hammered out an agreement that the City (Agency) would produce 1500 new or rehabilitated untis of housing for those income groups eligible for public housing. While the residents' group (Tenants and Owners Against Redevelopment - TOOR) rejected the agreement, a federal court judge later made it an order to which the Agency consented.

At the present time the Agency has under construction or federal commitments for funds sufficient to provide approximately 1,000 of these units. It has applied additionally for HUD loan guarantees and rent supplements for the remaining 500. Most of the units are being provided under FHA Section 221-d3 market rate rehabilitation loan guarantees coupled with rent supplements that are computed on the difference between tenants' ability to pay and mortgage amortization requirements.

<u>The Planning Department</u>. SPUR has consistently recognized that the Planning Department should have primacy in planning for all City functions including renewal. Matching renewal with Citywide goals in June of 1971, the City Planning Department issued a report to the Planning Commission setting forth guiddlines for redevelopment project selection. However, some of the guidelines set forth may not be realistic. The major purpose, the Department says, of potential redevelopment projects should be construction or rehabilitation of housing for moderate and low income families with children. It is difficult to argue with the goal. Yet where projects appear to have the ability without great disruption to produce much increased tax revenues or labor intensive industries to the City, they too should be permitted. Another goal of the Planning Department is that potential projects should involve minimal displacement of residents and businesses. The goal is admirable, and Regal Pale is a good case in point. However, what remedial action can then be taken in a heavily populated, grossly deteriorated slum? Such a policy presupposes the successful maintenance of all areas of San Francisco through a vigorous, well-funded fully staffed code enforcement program, but, without much greater federal funding, that will not be descriptive of San Francisco's municipal efforts.

Another citation by the Planning Department requires that potential projects be small in size and consistent with scale and character except where a non-residential area is converted to a new residential community. Unfortunately, blighted areas are not found only in small pockets. Recognizing the difficulties that exist within some of its proposals, SPUR nevertheless strongly endorses the thrust of the Planning Department to have the Agency enter into the neighborhoods to undertake mild programs requiring minimal acquisition, relocation and demolition, situations where the considerable financial resources of the Agency can be used to improve and install badly needed public facilities.

Public Housing Authority. In many states across the nation, housing and redevelopment functions are combined into one agency. Such a joint effort appears to have prevented (or at least concealed from public view) the sometimes abrasive public process California's separate agency system creates in resolving which and how much of renewal areas shall be used for public housing. San Francisco's Mayor recently proposed such a combination, but when that move was attempted some ten years ago by overlapping Housing Authority and Agency commissioners, those members serving dual roles immediately pointed out that the work load was simply too much for part-time volunteer citizen appointees. The Housing Authority plays a vital role in providing housing through various programs for those who cannot sustain themselves in unsubsidized standard housing. While criticism has been leveled at the Housing Authority for not producing more housing units, its building record where per unit costs limitations have not negated the land subsidies available in redevelopment projects, has been quite swift. But a major point of difference remains - how many units of public housing in a redevelopment project is enough? Statutory per unit cost ceilings on public housing have, because of San Francisco's very high land and building costs, made it almost impossible for the Authority to produce units sensitively enough designed to prevent neighborhood dismay. And, because no alternatives exist, older Housing Authority projects are impacted with the lowest income residents of the community. Such concentrations contribute to behavioral problems. Furthermore, the low level of rents thus produced has pushed the San Francisco Housing Authority to the verge of bankruptcy (capital costs are paid by federal subventions, but maintenance and operating costs must be paid out of rental incomes). And HUD is questioning the Authority's management practices (alleged to produce the highest costs in the nation) which is said to use journeyman union labor for all maintenance chores.

Building Inspection and Code Enforcement. A critical ingredient in the maintenance and improvement of any city's housing stock, indeed the prime preventative measure, is a building inspection and code enforcement program. San Francisco has an on-going locally financed major-buildings inspection program that will in future years see all apartment buildings of 4 units or more brought into standard condition or demolished. In addition, San Francisco's building and inspection department also operates a federally assisted code enforcement program (FACE), one that has been highly successful in bringing particular neighborhoods such as Arguello Park, Buena Vista Heights, Glen Park and Great Highway, up to a standard level of physical condition. Unfortunately this is yet another program

covering 551 acres of the City and more than 10,000 housing units, that is threatened because of the withholding of federal funds. Other FACE programs - Alamo Square, Bernal Heights and Duboce Triangle are only partially complete and suffering from insufficient below market rate rehabilitation loans. Applications for two new FACE programs, Upper Ashbury and Inner Richmond, submitted to HUD 15 months ago, were recently returned to the City with the notation that there were no funds for this fiscal year but reconsideration would occur in the next fiscal year. Like the Redevelopment Agency and the Housing Authority, the City's Building Inspection Department is blessed with the highest professional quality staff. The vigor of each of these three entities taken together can be said to account principally for the fact that San Francisco suffers less major deterioration than almost any other city of its size and age. But without continued federal financial support this condition will quickly be reversed.

VI. ANALYSIS

The City's Goals. It is only against the background of San Francisco's needs and its future goals that its redevelopment program can be measured. Through the Planning Commission's comprehensive policy statements and the avowed purpose of the Buidling Inspection Department it becomes clear that San Francisco, like every other American city, has at least on paper expressed the desire to maintain both its commercial buildings and housing stock in the best possible condition. But every city finds it difficult fiscally and politically to do so. Every American city also desires through maintenance of its physical properties not only to prevent the decline of the established tax base but to increase it. According to the City's Urban Design Plan, any increase in the tax base must be accomplished without offsetting increases in disruption and congestion. Future redevelopment projects must be selected for consonance with these goals.

Balanced Means. No one is likely to deny that vast portions of Western Addition A-1, A-2, Yerba Buena and even the commercial portions of the Golden Gateway were, until renewed, badly deteriorated. Once an area has declined to a critical point, the problem is how to cure that deterioration. No one to date has proposed workable alternatives to some form of an assisted renewal process. We must strive for balanced municipal programs, programs to provide standard housing and good neighborhood facilities for a balanced population, one balanced racially, economically, and by age. Housing destroyed by renewal must be replaced by housing in equal amounts for the same kind of people if we are to achieve and maintain a balanced population. If current demographic trends projected by the City Planning Department continue, we will have a population unbalanced in all three categories, a population highly dependent, one that will require more tax expenditures and produce few of the taxes necessary to provide such support. It seems unfeasible that the goal of a balanced community will be accomplished without the full use of the powerful legal and financial tools

of the Redevelopment Agency. Yet because of its fragmented political constituency it is in danger of being abandoned, both at the federal and local level. If the program is required to serve only minorities without producing tax benefits, it seems certain to be abandoned by the majority. If it is wholly made to serve only the purposes of the majority, e.g. increasing the tax base without producing homes and jobs, then it is likely that it will be successfully brought to a halt by minority interests.

Balance. San Francisco's program can continue in a balanced stance, but only with the kind of support that must be forthcoming from the federal entities. The existence of that support is being questioned widely. There appears to be a real danger that federal cutbacks will halt even existing redevelopment projects. If halted at the mid-point, the public cost of such abandonment will far exceed any imagined savings. But the very possibility of such abandonment of ongoing projects should stimulate a new determination by San Franciscans to act; to see that every possible pressure is exerted to see through to completion all projects presently planned. SPUR would urge oppostion to any scaling down of existing renewal projects. While a reduction in effort might result in a greater likelihood of artificial project "completion", such actions would fail to recognize the urban problems each project was designed to address. SPUR finds that all current projects continue to be justified, necessary, and extremely important public actions required to improve life in our City. To scale down the projects would scale down the response to our urban problems when the very opposite is needed. SPUR then urges the City to continue its efforts to seek the maximum possible federal assistance to assure the earliest completion of all projects now ongoing.

VII. NEW DIRECTIONS

Dual Goals. In addition to facilitating the production of market-rate housing for its population, the prime goal of every community countrywide is to preserve and, when necessary, replace its existing housing stock and to do so at rental or sales prices resident income groups can afford. San Francisco's goals should be no different. Moreover, every urban area is a place of business and commerce. Where necessary and desirable, public tools such as redevelopment should be used to enhance the economic wellbeing of the City. In San Francisco the debate continues over how best to go about accomplishing these dual goals.

Neighborhood Projects. Renewal programs in residential neighborhoods will not become political realities unless they are initiated and endorsed by the affected neighborhood. An example of this can be found in the Mission District. In 1966 a well-funded comprehensive renewal program, proposed for the Mission was soundly defeated by community opposition. Today, under the auspices of the Mission Model Neighborhood Corporation the community has requested the cooperation of the Redevelopment Agency in exploration of a new project. The process has been so harmonious that the general public is almost unaware of its progress.

The Federal Role. There will soon be changes in the form in which federal financial assistance is presently granted to cities for code enforcement, renewal, housing and public works. Some form of revenue sharing (unrestricted funds from the federal government) or block grants (federal funds to cover the categorical renewal processes, but to be allocated by the City between projects) will come about, and it would behoove the City to be prepared to use swiftly and efficiently any such funds that become available to it. The City must also be prepared to make its own hard choices in the likely event that the federal funds available are insufficient to carry out all desirable projects. Other federal and state policies should change. Many of our state and federal tax policies encourage property owners to spend less than the minimum required to maintain residential and commercial properties in a standard condition. A first priority must be reform of our taxing structures to provide incentives for first class maintenance.

The Regional Role. Within the nine-county Bay Area there are a dozen semi-autonomous renewal agencies independently and parochially seeking through their separate powers to renew worn-out sections of the region's population centers. These agencies, and an equal number of housing authorities, do so without reference to an integrated regional plan dealing with housing, transportation, resource conservation, social welfare and other regional concerns - and without regard to possibly counter-productive factors of intra-regional competition. Without a regional planning and enforcement entity capable of guiding renewal activities and establishing housing goals within the context of the total environmental and social needs of the region and its economic capacity, fragmented and inadequate projects will continue to be undertaken by housing authorities and renewal agencies.

A Sense of Purpose. In October of 1965, a document entitled the Community Renewal Program, commonly known as the CRP, was completed. It was a plan designed at a cost of one million dollars to produce a comprehensive renewal and preservation program for all areas of the City. In the six years since it was published, it has been referred to mostly by scholars and students. It has not, unfortunately, been a document used by the City as an action guide. While it is not suggested at this late date that the CRP be exhumed, we do suggest the undertaking of the same kind of coordinated comprehensive action called for in that program. Specifically, SPUR would recommend a new procedure which would couple a Citywide program and a sense of the purposes sought to be achieved. If block grants for renewal become a reality and, as seems likely, the federal funds are inadequate to service all meritorious projects, we must have a basis for choosing between timely completion of existing redevelopment projects, new worthy redevelopment projects (Regal Pale, Post Office and Chinatown, for instance) and for balancing the overall program in light of private sector capabilities.

Districts. The entire City should be divided into renewal districts with a representative existing citizens' body utilised, or if such does not exist, to be created in each appropriate area, for the purpose of planning necessary and desired renewal actions for that area. Limited examples of such efforts can be found in

the SPUR-supported Planning Association for the Richmond, the Sunset/Parkside Education and Action Committee, the Chinatown Citizens Advisory Committee, and the Model Cities programs in the Mission and Hunters Point. Assisting each of these communities or neighborhood planning organizations would be a task force consisting of representatives of the City Planning Department, Housing Authority, Bureau of Building Inspection, the Redevelopment Agency, and the offices of the Mayor and the Chief Administrative Officer. HUD too should consider assigning members of its staff to actively monitor programs.

Even though this section is entitled New Directions, what is suggested is not new. The Planning Department contemplates more neighborhood planning. The Redevelopment Agency and code enforcement staff now assiduously seek to work with community organizations, and these in turn now seek out the Agency. In short, what is recommended is the comprehensive application of existing remedial programs in order to hasten the pace of utilization and to maximize their effectiveness. If they are to compete for scarce funds, the neighborhoods should at least be well informed and have access to all of the City officials involved.

Conclusions. San Francisco must complete its present projects and vigorously undertake others when and as funds are available. It must also move more swiftly toward a more comprehensive approach treating with the entire City so that public facilities, used as non-cash grants in aid are not "skewed" to renewal projects at the expense of other areas of the City. San Francisco should also take the lead in seeing established a regional planning and enforcement entity that would in addition to conserving resources, planning transportation facilities, implementing a regional solid waste program, and dealing with other environmental and social concerns, establish an integrated regional plan for housing and renewal activities to guide every city's renewal agency and housing authority. A comprehensive approach would go far toward providing scheduled rehousing facilities and produce for the public a larger plan of action against which they will be able to judge actions authorized and progress made, for surely without public understanding and support neither our City nor our region will survive as a desirable place to live.

APPENDIX

to

THE REDEVELOPMENT PROCESS

SPECIFIC PROGRAMS

While arousing in later years considerable controversy if not antagonism, the San Francisco Redevelopment Agency cannot be faulted for lacking either drive or a complete belief in the necessity for its services. Seven projects, each by any standard a major undertaking, have been initiated, planned, carried through local Planning Commission and Board of Supervisor hearings, approvals and into execution. Almost all significant activity occurred subsequent to the employment of M. Justin Herman as Agency Executive Director in 1959. Each project will be briefly described in the following pages.

1. Diamond Heights

Planning for this undeveloped residential area of potentially surpassing views began in 1950 and today, 22 years later, the project is nearing completion. It is outstanding as a prime example of the usefulness of the land assembly powers of the redevelopment process. Subdivided into a gridiron street pattern without regard for the physical reality that the extremely steep slopes of the Heights were unbuildable, this area in the heard of land-short San Francisco long remained vacant. Purchased and assembled by the Agency, it was the first open space project in the U.S. The land was replanned with curving streets that, following the hill contours, permitted economic development. While it is predominantly an upper middle, middle income residential area with full neighborhood facilities, schools, playgrounds, and commercial center, Diamond Heights also includes 437 dwelling units of subsidized, low to moderate income housing. When completed it will contain slightly more than 2,330 new housing units.

Cost: Principal outlays involved, interest, real estate purchase and site improvement (the largest item at $4,500,000) for a gross cost of $17,800,000 and a net cost (to be borne 2/3 federal and 1/3 City) estimated at $6,000,000.

Returns: Assessed value of this 325 acres of land was $368,000 prior to renewal. It is currently at $7,965,000 and is expected to reach $15,000,000 at the time of project closeout.

Relocation: Only 33 families and 14 single householders required relocation. Of these, all but one family were reported to have relocated in standard housing.

2. Western Addition A-1:

As with Diamond Heights, planned funds for this project were approved in 1950 by HUD's predecessor, the Housing and Home Finance Agency. The reasons for its inception bear out the contention that renewal projects are conceived for many reasons, not the least being good prospects for financing. Therefore, shortly after the proposal to widen Geary Street was advanced, the adjacent slum blocks were designated as a renewal project on the strength that some of the street improvement costs could be recaptured and at the same time a badly deteriorated section of the city rebuilt, all with federal financial assistance. It was the first project undertaken by the Redevelopment Agency that required large scale relocation and rehousing of families, individuals and businesses. Because it was largely a black community, charges that urban renewal was in reality Negro removal were heard for the first time. The A-1 project combines residential and institutional uses and commercial retail development. One might say it is a diversified project reflecting the character of a core city. Despite the addition of other uses in what was predominantly a residential area, its post-redevelopment population will approximate its pre-renewal size. When completed it will contain 1,818 new housing units. St. Francis Square, the nation's first cooperative garden apartment housing project subsidized under FHA Section 221(d)3 is within this project. This award-winning development is uniquely demonstrative of a harmonious economic and racial integration. Western Addition A-1 is also the site of two facilities already recognized as San Francisco landmarks, the Japanese Cultural and Trade Center, and St. Mary's Cathedral.

Costs: The principal cost of this project was the necessary $14-1/2 million in land purchases. Project net cost of $17,747,000 required 1/3 or $6,000,000 to be met by San Francisco. This obligation was met and exceeded by local non-cash grants in aid.

Returns: Assessed value of A-1 was $2,849,000 before any public action was taken. Today it has nearly reached its expected peak by showing a value of $18,291,000 on the assessor's books. When complete its value should exceed $19,000,000.

Relocation: 1,350 families and 1,225 single householders moved from Western Addition A-1. Of those utilizing Agency assistance, 633 families were reported to have obtained standard housing and 364 families, not availing themselves of Agency advice or assistance, moved into substandard housing. Individual householders were not reported since at the time of A-1 relocation in 1957-59, statistics on individuals were not required by federal or state regulations. 353 families moved without any contact with Agency personnel.

3. Golden Gateway:

Whereas Western Addition A-1 contains the same number of residents following renewal, the Golden Gateway can be cited as an excellent example of the power of the renewal process to drastically change land uses. Now situated on the former site of the City's deteriorated low-rise wholesale produce market is a high-rise residential-office building complex overlooking the Embarcadero and San Francisco Bay. This, the most dramatic of the Agency's undertakings, while avoiding the burden of large-scale residential relocation, did nonetheless incur the displeasure and opposition of property owners and produce market operators who objected to any interference in their commercial lives by a governmental entity. Without the Redevelopment Agency's initiative in creating a new and modern produce market at Islais Creek, the Golden Gateway project would in all likelihood not have come to fruition for many additional years. Notable because it was the first public project to require an extensive (and expensive) design competition of prospective developers vying for development rights to major areas, the Golden Gateway project, with 1,254 of 2,555 planned housing units complete and occupied, "works" as a busy, worthwhile urban center of residence and employment. The second and final half of the planned housing will go in the area north of the Golden Gateway's Sydney Walton Park. A $200 million 5-building office-hotel complex called the Embarcadero Center, currently under construction, will complete the project. By expanding the project boundaries under state law, it was possible for the Redevelopment Agency to issue its own bonds, the proceeds of which were used to construct the essential shell of a subway station on the BART line at Davis Street. Unforeseen construction of many new buildings on lower Market Street had revealed the need for an Embarcadero station only belatedly. When completed it will add materially to the success of the Bay Area Rapid Transit System and to the convenience of thousands of commuters. Although planning for the Golden Gateway did not begin until 1958, progress to date has been visibly swift. Such speed may in part be attributed to the negligible family and individual relocation problems, and in part to the desirability, hence marketability of its prime lands.

Cost: Again land purchases accounted for the largest single cost of the project. When land sale proceeds of $21 million are deducted from a $57 million gross cost, a $36 million net project cost results. So many credits from non-cash grants from contributing public works were realized that over $18-1/2 million, more than the required $12,000,000 1/3 required local share were generated. These excess or "pooling" credits will be applied to defray City liability for its 1/3 share of other redevelopment projects.

Returns: Dramatic as well for its creation of increases in tax revenues, the Golden Gateway was assessed at $7,747,000 before renewal, is now at the $17 million level, and when all present contractual obligations for development are completed, assessed value should reach $60 million. In

both production of public facilities, such as the Embarcadero-Davis Street BART station, Ferry Park, and future fiscal returns to San Francisco, the Golden Gateway project is unusual.

Relocation: 20 families and 188 individuals were required to move.

4. Western Addition A-2

Unable or unwilling to include the renewal of all the Western Addition area that was deteriorated in the first project, the City decided in 1961 to begin planning for the renewal of Western Addition A-2, a 277-acre project that almost completely surrounds the original A-1 project. It is a project that contemplates the use of every available program, federal and local, to produce the subsidies and facilities necessary to house the poor. But despite that fact, it has been fraught with difficulties and delays from the outset. For instance, the official plan of action was approved in 1964 by the Board of Supervisors, but federal funding was refused for 1-1/2 years as a result of a state referendum approved by the voters known as Proposition 14. With its passage, the federal government took the position that because the measure prevented open occupancy in federally assisted projects, they could not provide funds and still be in compliance with federal law. Relocation requirements were almost as great as in Western Addition A-1, and because some of the relocations involved a second movement for people who had been displaced from A-1, the irritations were intensified. Federal regulations too had been amended during the years since commencing A-1 to require the formation and funding by the Agency of project area committees, through which residents, whether or not they were to be relocated, might have a strong voice in the execution of policies affecting the renewal of their area. Agency personnel estimate that such project area committees, which require time for approval even in the hiring of Agency consultants, selection of developers, and planning for the types of housing to be constructed, adds not less than a full year to each project's duration. Despite the additional time necessitated by such citizen participation, the ultimate benefits, usually in the form of resident understanding and thus support of the project over the long haul, probably warrants the added cost. However the Western Addition Project Area Committee (WAPAC) in an attempt to provide housing for all original inhabitants of the area, demanded a change in the mix of housing originally planned for the project. From a well-integrated mix of low, moderate and market rate housing, it became almost totally a low to moderate mix which, when in combination with the high-rise public housing already within or adjacent to the area, will recreate another concentration of low income families. But without open occupancy on a region-wide basis, there may exist no real alternative.

Acreage to be devoted to residential housing will be increased by approximately 25%. New housing units to be constructed will total 4,100, with 2,500 existing units to be rehabilitated. The pre-renewal population will

be increased following completion from 14,700 to approximately 19,000 persons, with the majority of new housing to be constructed in this project to receive some form of public subsidy.

Cost: The most expensive of all the Agency's projects, the gross cost of $145 million occurs as a partial result of the large land subsidies offered in order to make feasible low and moderate income housing. Land sale proceeds of $13-1/3 million only are anticipated. Net project costs will then be $132 million, of which 1/3, or $44 million must be provided by City actions. If pooling credits from other surplus producing projects such as Yerba Buena are not realized, the City may be required to resort to the general fund to produce its full one-third share. Now about 25% complete, A-2 could be substantially rebuilt in two or three years if the flow of federal renewal funds is restored.

Returns: It cannot be expected that Western Addition A-2, a project designed to rehouse the people who live there, will produce great tax revenue increases. Assessed value was $30 million before renewal. It is currently assessed at the $19 million level, and following completion is expected to reach $40 million.

Relocation: 1,033 families and 1,415 individuals have relocated and 530 businesses moved. While a substantial portion - 63% - of required rehousing has been completed, a tightening housing market has caused charges to be leveled that the Agency might not be able to accomplish its relocation program. Yet, despite the establishment of an elaborate relocation appeals body upon which potentially critical citizens are seated, no case of Agency dereliction has been substantiated.

5. Yerba Buena Center:

In 1961 the San Francisco Planning and Urban Renewal Association stated that the South of Market area needed serious remedial action. As a result of that and other public calls for action, application for a planning grant was approved by the Housing and Home Finance Agency in late 1962. Long known as San Francisco's Skid Row area, this 87-acre project adjoining Market Street and lying principally between Third and Fourth Streets was conceived initially as an entirely commercial project. It was and is vigorously supported by the tourist-oriented commercial interests who assert that existing convention facilities in Civic Center are greatly inadequate for large conferences, especially when compared with those recently constructed in recent years by other cities. An exhibition hall of some 350,000 square feet and a 20,000 seat sports arena plus supporting facilities is the keystone of the project. Office buildings, a major hotel and parking for 3,000 cars are proposed. In early recognition of the social problems that would be confronted during the relocation and rehousing process in this Skid Row project, the Agency, pushing to the limit of its authority under federal relo-

cation funding regulations, established a New Start Center. Services made available there are emergency medical treatment, medical health examinations, public welfare services, psychiatric consultations on an as-necessary basis, and professional level social welfare assistance of many varieties. Additional long-term treatment referrals to the existing public and private agencies are made when advisable. The Agency also operates, in conjunction with this center, a custodial or shelter program and detoxification facilities.

This project too is suffering from controversy and delays revolving around relocation of residents. Concern for the proper relocation of the estimated 3,100 persons resident in the area at the beginning of the project execution has prompted legal action resulting in substantial delays. Relatively few families will require rehousing. It is the single householder with limited, often publicly-derived income that must be rehoused.

Cost: Second only to Western Addition A-2 in total expenditure, Yerba Buena, following an anticipated $21 million in land resale will reach a net project cost of $97-1/2 million. On the other hand it will generate not only sufficient non-cash grants in aid for its own one-third share, but generate the surplus $23,000,000 that will be needed to pay the local share for Western Addition A-2.

Returns: Prior to renewal the project was assessed at $8,751,000. It is currently valued at $5,600,000 but if renewal conforms to the original plan, it is estimated that the assessed value following completion will be $75 million.

Relocation: 3,100 persons, mainly single householders, will require relocation. Approximately 850 of the residents remain to be rehoused.

6. Hunters Point:

Planning for Hunters Point did not begin until June of 1966. It is a 137-acre former site of some 850 units of temporary wartime "Lanham Act" housing completed in the early 1940's. This project too was delayed for a year and a half because of Proposition 14. An all-black community by the time the Agency began its operations, and initially the site of considerable controversy, a remarkable resident-Agency cooperative venture has been brought about. On the basis of an agreement between the E.O.C. Area Planning Board and the Redevelopment Agency, the Bayview-Hunters Point Joint Housing Committee was established to work on a partnership basis with the Agency in the planning and development of the project. Funded initially by local foundations and presently under the project area committee provisions of the Housing Act of 1969, the Joint Housing Committee has been significant in effecting favorable funding of the project and shaping the

character it will assume when completed. 1,092 of the housing units complemented with park and recreation facilities, necessary schools and neighborhood facilities will replace the old temporary war housing units. Over 1200 of the planned units will be garden apartments subsidized under FHA Section 236. Almost all of the new housing units will be sponsored and owned by non-profit corporations with boards of directors selected from the community. With the exception of some 75 single family units, the remaining units will be high rise buildings in the center of the development. The plan for this prime view-enjoying hill site has been devised to take full advantage of the sweeping vistas available from Hunters Point. Its population will more than double from 3,300 persons before renewal to 7,100 after.

Cost: A net project cost of $40,600,000 will require a local 1/3 share of almost $13-1/2 million.

Returns: The assessed valuation of the Hunters Point area before renewal was only $637,000. At present, due to demolition and having reached only the start-up phase of residential construction, the assessed valuation is slightly less than half, or $304,000, but following renewal a $6 million tax base will be achieved.

Relocation: 700 families and 183 single householders initially required relocation. Some 20% of these rehousings have already been accomplished.

7. India Basin Industrial Park:

Planning for this project, known as Butchertown, was not undertaken until late 1967. In little more than six months, the plan was approved by the City Planning Commission and in short order subsequent sequential approvals were obtained from the Redevelopment Agency itself and the Board of Supervisors. Originally conceived as a 126-acre area that would be used to encourage labor intensive industries, that idea has been strengthened, not weakened, with the passage of time. The Butchertown project, by merit of its high employment industries, complements the Hunters Point project in that it will provide job opportunities for the unemployed or underemployed residents of the Bayview-Hunters Point community. When completed, the project is expected to increase the presently existing 1,500 jobs to 4,000 opportunities. While preparation of the new site involves some difficult relocation problems, particularly those allied with the removal of 49 auto wrecking firms, it is expected that the problem will be resolved in the near future and the project allowed to proceed.

Cost: From a gross project cost of $42,000,000, a deduction for land sales will reduce the net project cost to $35,400,000. The minimum local share of $11,813,000 will be defrayed in part by the $9 million pooling credits from other projects, such as Yerba Buena Center, and non-cash grants in aid to be derived from nearby freeway access.

Returns: Currently assessed at the level that existed for many years in the past at $2,800,000, the assessed valuation is expected to more than triple to $9,750,000 following complete renewal.

Relocation: 215 individuals and 62 family units will require relocation. Over half of the relocations have already been accomplished. 56 of the 82 commercial and industrial establishments to be moved from the project area still remain. 27 firms will remain within the project area, but in new facilities.

8. Regal Pale:

This project will only be briefly described. It involves the 6.5 acre site of an abandoned brewery. It will, if approved by HUD, be utilized as a non-profit subsidized housing development to accommodate residents from other parts of the local community. 130 new housing units will be constructed, and 26 existing units will be rehabilitated.

9. Chinatown:

As part of an action-oriented housing and recreational planning effort undertaken by the City Planning Department, an initial site at Sacramento and Stockton Streets was identified as being suitable for up to 210 units of moderate-income subsidized housing. In order to provide the land write-downs necessary to make such a project feasible, it is proposed that the Redevelopment Agency undertake a neighborhood development project (NDP) covering this single site.

The net project cost is estimated to be $1.2 million which will in this instance require a $400,000 cash contribution by the City since no local non-cash credits are available. This is a site identified earlier on in the Chinatown Master Plan for Housing and Recreation study now complete which ultimately calls for the construction over a 2,255 new housing units.

10. The Main Post Office Project:

At the behest of the Central City Anti-Poverty Program, the Redevelopment Agency is investigating the possibility of instituting a project along Market and Mission Streets lying between the Powell and Civic Center BART stations. The primary purpose would be to create, essentially through rehabilitation, some 4,400 units of new housing primarily for the single householder. It is anticipated that the Agency will soon receive approval from the Board of Supervisors to submit an application to HUD for federal funds to plan and program a Neighborhood Development Project (NDP). Without such a planning program, it is difficult to estimate costs, although the Agency estimates that current public facilities work already budgeted in the area would provide $10 million of local non-cash credits.